



TITLE: Executive Director Charter

EFFECTIVE DATE: April 11, 2013

BOARD ADOPTION: April 11, 2013

INTRODUCTION

The Executive Director is the senior executive of the Seattle City Employees' Retirement System. In addition to the duties and authorities referenced herein, when deemed necessary for efficient administration, the Board of Administration (Board) may delegate authority to the Executive Director consistent with the Board's policies and the Seattle Municipal Code.

DUTIES AND RESPONSIBILITIES

1. Operations

The Executive Director has all powers and authority normally vested in similar positions in other City departments to include, but not be limited to, the hiring and firing of staff, and the commitment of funds necessary to the efficient conduct of SCERS business. In carrying out these duties, the Executive Director must ensure compliance with Board policies and directives, and applicable federal and state laws and regulations.

The Executive Director shall be responsible for managing the day-to-day operations of SCERS, delegating to officers and senior staff as the Executive Director deems appropriate, provided that such delegation is consistent with the organizational structure and policies approved by the Board.

The Executive Director shall have the authority to make all necessary operational expenditures, consistent with operating budgets, policies, and internal controls established by the Board, the Seattle Municipal Code, and all other applicable laws.

The Executive Director shall develop and recommend to the Board:

- Appropriate business plans and performance metrics; and
- A biennial budget for SCERS consistent with the Board's strategic plan and City policy and practice.

The Executive Director shall approve the divisional business plans of senior staff, as appropriate.

2. Finance and Accounting

The Executive Director shall ensure the appropriate financial and internal controls are in place to protect the assets of the Retirement System.

The Executive Director shall:

- Maintain books of account for SCERS and prepare financial statements;
- Maintain records of the investments held by SCERS;
- Ensure that an independent financial audit is conducted annually;
- Ensure that an asset and liability valuation study is performed at least every 7 years; and
- Ensure that an operational audit is carried out at least every 5 years

3. Contracts

All contracts, both competitive and sole source, must be processed according to applicable City policy and must meet applicable filing and/or approval requirements established by the City Contracting department.

In emergency situations only, the Executive Director is authorized to act on behalf of the Board to modify, extend, terminate, or otherwise take action with respect to Board-approved contracts. Emergency situations are those in which a significant risk of loss to the fund exists and the need for action is so severe and urgent that immediate action is required before a Board meeting can reasonably be convened to address the issue. The Executive Director will consult with and obtain approval of the City Attorney's office and/or outside legal counsel, and obtain approval of the chair of the Board (or, in the absence of the chair of the Board, the most senior member of the Board who can be reached) in advance of any such action. The Executive Director will report on any such matters at the next Board meeting.

Contracts pertaining to the day-to-day operations of the Retirement System (e.g., leases, personal services contracts, interdepartmental agreements, memoranda of understanding, and procurement and maintenance agreements) shall be consistent with City practices and executed by the Executive Director. The Executive Director shall exercise his/her discretion regarding the need for legal and Board review of such contracts.

4. Investment Implementation

The Executive Director is authorized to implement investment transactions consistent with contracts, policies, and directives adopted by the Board and all applicable legal requirements. In the absence of an emergency situation as defined herein, the authority of the Executive Director to approve or execute investment transactions will be limited to specific powers granted by the Board with each contract or transaction. In addition, the Executive Director is authorized to monitor the actions by any external fund manager to ensure compliance with the terms and conditions of the contract between the manager and the Retirement System.

5. Real Estate and Partnerships

The Executive Director will have full authority to approve annual budgets and annual business plans related to real estate and partnerships provided the budgets and plans are consistent with the provisions of existing agreements and prudent business practices. Business Plan approval by the

Executive Director contemplates sales, financing, and capital recommendations made by SCERS' advisors, unless decisions involve capital amounts in excess of \$500,000, which require Board approval.

6. Legal Actions

General Matters

When the Retirement System or Board is named as a defendant in a legal action or finds it necessary to initiate legal action to protect the interest of its beneficiaries, directions to the City Attorney and/or outside legal counsel must be approved by the Board in advance of any official action. In emergency situations only, the Executive Director is authorized to act on behalf of the Board with the advice and approval of the City Attorney's office and/or outside legal counsel, subject to approval of the chair of the Board (or, in the absence of the chair of the Board, the most senior member of the Board who can be reached) in advance of any such action. Emergency situations are those in which a significant risk of loss to the fund exists and the need for action is so severe and urgent that immediate action is required before a Board meeting can reasonably be convened to address the issue. The Executive Director will report on any such matters at the next Board meeting.

Class Action Lawsuits

The Executive Director is authorized to join class action lawsuits on behalf of the Retirement System so that it may share in any distribution from the lawsuit, unless he/she determines that legal action by the Board, independent of a class action lawsuit, is advisable following consultation and approval of the City attorney's office and/or outside legal counsel.

7. Risk Management

The Executive Director shall ensure that an enterprise risk management system is developed and implemented to mitigate the organizational risks faced by SCERS. This shall include appropriate internal controls to manage day-to-day business risks as well as disaster recovery plans to enable restoration of business functions after an unforeseen event.

8. Human Resources

The Executive Director shall:

- Recruit, hire, and retain personnel necessary to effectively manage SCERS and develop the necessary training and development policies and programs, and
- Determine appropriate levels of compensation for SCERS staff within City policies.

9. Stakeholder Communications

The Executive Director will serve as the spokesperson for SCERS, subject to the direction of the Board, unless the Board decides otherwise.

The Executive Director shall recommend a communications policy to the Board for approval.

The Executive Director shall prepare and recommend for Board approval an annual report on the operations of SCERS.

The Executive Director shall, subject to the direction of the Board as to timing and subjects of such reports, offer at least annually to present a report on the status of the Retirement System to the City Council and to the Mayor.

10. Reporting and Monitoring

The Executive Director shall ensure that the Board is provided with relevant, appropriate and timely information to enable it to properly carry out its trustee, monitoring, and oversight responsibilities.

The Executive Director shall, on a regular and periodic basis, monitor and report on:

- New or emerging policy or operational issues;
- Performance of investment targets and funding ratios – at least monthly;
- Performance of key operations, including metrics for membership services, employee vacancies, retirement system trends – at least monthly; and
- Status of Strategic Plan initiatives including budget, schedule and completed milestones – at least monthly.

11. Leadership

The Executive Director shall provide executive leadership to SCERS in setting and achieving its mission and goals, and shall manage SCERS in accordance with the parameters and guidelines established by the Board. In doing so, the Executive Director shall solicit advice and counsel from the Board, as necessary and appropriate.

12. Policy Analysis

The Executive Director shall provide support to the Board in establishing the policies of the Board. This shall involve working with the Board to continually identify issues requiring Board policy, conducting the necessary analysis of such issues, and providing clear and well-supported policy recommendations for Board approval.

13. Investment Policies

The Executive Director shall develop, review, and recommend to the Board and/or appropriate Committees the investment philosophy and policies to guide the management of SCERS funds overall, and for each asset category.

Within the policy parameters approved by the Board, the Executive Director shall recommend investment options for each asset category in which SCERS invests.

POLICY REVIEW

The Board shall review this policy at least once every three (3) years to ensure it remains relevant and appropriate.